



# Dutch municipalities start experiment with red tape-trimmed social assistance benefits

ESPN Flash Report 2017/18

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MARCH 2017

## Description

*In 2015, several Dutch municipalities announced plans to experiment with a basic income for social assistance recipients. This idea has evolved and now focusses on the effect of red tape-trimming on achieving the purpose of the law, i.e. making recipients independent from social assistance. The experiments will start as from 1 April 2017.*

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The Participation Act grants a minimum income to anyone legally residing in the Netherlands who has insufficient means to support him/herself. Municipality responsibilities include the provision of tailor-made benefits as well as activation services.

Together with the aldermen of the municipalities of Utrecht, Groningen, Tilburg and Wageningen, the State Secretary for Social Affairs and Employment recently drew up the contours of experiments which will, for two years, give municipalities the option of implementing the social assistance regulations in an alternative way. The aim of this decision is to offer participating municipalities the opportunity to investigate, in practice, how the Participation Act can be more effectively implemented to help people find work/reintegrate. Now that the last piece of legislation (Order in Council [AMvB]) has been adopted, the municipalities will be able to start work as from 1 April 2017 (Ministry of Social Affairs and Labour, 2017).

On the grounds of section 83 of the Participation Act, it is, by way of an experiment, possible to derogate from a number of sections of the Act. This experiment involves two provisions. First, it relates to the provision that the recipients of social assistance benefits are obliged to find, accept and retain

work and to perform in return (section 9, subsection 1 of the Participation Act). Secondly, it relates to the provision about incomes of which no account is to be taken when assessing whether and at what level the social assistance benefit will be set (section 31, subsection 2 of the Participation Act). The option of experimenting with these sections is based on proposals from the municipalities.

These experiments will include several targetgroups subject to various regimes. Within these groups, the restrictiveness of the obligations will vary, from a group of participants who have fewer obligations imposed on them to a group in which social assistance benefit recipients are even more intensively supported. In addition, consideration will be given to the financial incentives (exemptions) which encourage people to move from social assistance into work. During the experiment, participants in one research group may, therefore, retain a limited amount of their income from work without it immediately affecting their benefit.

In all the experiments, there should be a control group of people participating in the experiment and a reference group of social assistance recipients who have not applied to take part in the experiment.

In cooperation with various universities, ZonMw (an organisation that funds

health and social research in the Netherlands and promotes the actual use of the knowledge produced through this research) has developed a framework, which is essential for the structure of an academic and substantively relevant experiment.

## Outlook & Commentary

Including preparation and evaluation, the research will cover a period of three years. The experiment itself will last two years. According to the academics we consulted, this length of time is the minimum necessary to gain good insight into the results of the experiment.

The municipalities of Utrecht, Wageningen, Tilburg and Groningen will now take further steps towards initiating their experiments. On the basis of the AMvB, up to a maximum of 25 interested municipalities will, at a later stage, be able to take part in this experiment in addition to the four "pioneers". ZonMw will advise

the State Secretary regarding which applications should be accepted.

On a limited scale and in a specific context, these experiments are about finding out what measures most successfully get benefit-dependent people back to work. This makes the experiments very interesting, despite them having in fact little to do with the idea of a basic income.

Since the publication of our last Flash on this subject (Blommesteijn and Van Waveren, August 2015), there have been no important developments in the public and academic debate. As already said, support can be found both for the effectiveness of coercion and the coercive-approach (Bolhaar, Ketel and Van der Klaauw, 2014; Koning, 2012), as well as for the opposite approach (Mullainathan and Shafir, 2013). The experiments are expected to generate additional insight.

## Further reading

Blommesteijn and Van Waveren, "Dutch municipalities announce experiments with basic income." ESPN Flash report, august 2015.

Bolhaar, Ketel, Van der Klaauw. "Meer mensen aan het werk door opleggen zoekperiode bij uitkeringsaanvraag" [Getting more people back to work by imposing a job search period on benefit claimants]. Me Judice, 27 February 2014.

Koning, "Toeleiding naar werk: beter een stok dan een wortel" [Promoting work, better a stick than a carrot]. In: Uitermark, Gielen and Ham (red.) "Wat werkt nu werkelijk? Politiek en praktijk van sociale interventies", 2012. [What actually works? The politics and practice of social interventions]

Mullainathan and Shafir. Scarcity: Why Having Too Little Means So Much, 2013.

Selection out Media Selection: Financieel Dagblad; Quartz; Brabants Dagblad.

Ministry of Social Affairs and Labour (2017), Tijdelijk besluit experimenten Participatiewet [Temporary decree experiments Participation Act]. 22 February 2017. The Hague.

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